



TO: HOUSING ADVISORY COMMISSION
FROM: EVERGREEN EAST HILLS HOUSING GROUP
SUBJECT: Housing Department “Affordable Housing Recommendations for the Evergreen East Hills Vision Strategy”
DATE: 10/12/06

Dear Commission members:

We write in response to the Housing Staff memo dated October 10, 2006 regarding “Affordable Housing Recommendations for the Evergreen East Hills Vision Strategy,” so that we can provide the Commission with additional information and assist in providing provide some overall context to your discussion tonight.

First, we believe it is important for the Commission to know that in our proposal submitted to the Evergreen East Hills Vision Strategy Task Force, we used the City’s “affordability” definition on all of the units we proposed as affordable housing.

As part of the overall proposal, we took great care in choosing which product types to locate on specific opportunity sites. After several discussions with non-profit affordable housing developers, we were advised that the most successful affordable housing projects are located in areas where densities can be increased and are adjacent and/or near transportation services. We believe our proposal takes the professional advice of experienced affordable housing developers and puts it to its best use. As a result, our affordable housing locations are at the Arcadia site and at the Evergreen Community College Campus, near existing transit and other services and in areas where multi-family housing is more compatible.

We also feel that it is important for the Commission to understand that it is the fees placed on the market-rate housing that makes it possible for our proposal to fund the unprecedented level of transportation infrastructure and community amenities.

In terms of public benefit gained from development fees from our proposal, we are proposing approximately \$235 million in transportation and amenities and an additional 47 acres in land dedications. This equates to \$120 million above what would be required of our group if existing city ordinances and guidelines were followed. Separate and in addition, for local schools we generate \$75 million over and above state-mandated fees for new development.

The overwhelming majority of the fees are generated on the Pleasant Hills Golf Course and Campus Industrial opportunity sites because they are predominantly single-family detached housing. Thus, a requirement for affordable housing on those sites creates the following challenges:

1. Significant impact on funding for transportation improvements and community amenities (See page 7 & 8 of attached “Trade Off Analysis” prepared by Muni Financial on City Staff’s behalf). An inclusionary requirement would necessitate a drastic decrease to the amenity list.
2. Location of denser housing product near long-standing existing single-family neighborhoods, which is in conflict with the “Guiding Principles” document the Task Force sought to follow.
3. Populations who may be more dependent on public transportation and other services would be underserved in those locations.

We understand the issue before you is extremely complex. We ask that in your deliberations this evening you consider the points we raise above, but most important, consider that you cannot address a single policy issue, such as affordable housing or industrial conversion, without weighing how that policy issue affects the over all package and proposal. All of the policy pieces in our development proposal are linked to one another, so that every policy decision has a real impact on the viability of the overall proposal.